

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, August 17, 2004, at 9:30 a.m. the following members were present:

Thomas J. Schneider, Vice Chairman
Matt Brainard, Commissioner
Greg Jergeson, Commissioner
Jay Stovall, Commissioner

Chairman Bob Rowe left his written votes with the Commission Secretary.

APPEARANCE

Wayne Budt, Administrator
Transportation/Centralized Services Division

(302) In the matter of TN2227: Fred M. Zweifel dba Circle Z Enterprises, Virginia City, Montana requests permission to suspend PSC No. 9270 for a six month period, September 13, 2004 to March 13, 2005.

Commissioner Brainard moved to suspend PSC No. 9270 for the specified time period. Commissioner Stovall seconded the motion, which passed unanimously.

(303) In the matter of TN2228: Estate of Charles Kelly dba Frank's Service, Kalispell, Montana requests permission to continue the lease of PSC No. 2636 to Frank's Service, Inc., Kalispell, Montana for a twelve month period, August 28, 2004 to August 28, 2005.

Commissioner Brainard moved to approve continuation of PSC lease No. 2636 for the specified time period. Commissioner Jergeson seconded the motion, which passed unanimously.

(304) In the matter of TN2229: Estate of Charles Kelly dba Kelly's Haulaway, Kalispell, Montana requests permission to continue the lease of PSC No. 8976 to Kelly's Haulaway, Inc., Kalispell, Montana for a twelve month period, August 28, 2004 to August 28, 2005.

Commissioner Jergeson moved to approve continuation of PSC lease No. 8976 for the specified time period. Commissioner Brainard seconded the motion, which passed unanimously.

(305) In the matter of the approval of Commission Minutes:

Commissioner Stovall moved to approve the Commission Minutes for the week of August 9, 2004. Commissioner Jergeson seconded the motion, which passed unanimously.

APPEARANCE

Joel Tierney
Utility Division

(306) In the matter of Cenex Pipeline - Docket No. D2004.7.100: On July 1, 2004, Cenex Pipeline filed an application to increase rates on all destination points based upon the FERC Oil Pipeline Index issued July 1, 2004. This represents a 3.16% increase in rates. A Notice of Application and Intervention Deadline was issued on July 8, 2004. No requests for intervention were received.

Commissioner Stovall moved to approve the application. Commissioner Brainard seconded the motion, which passed unanimously.

(307) In the matter of Front Range Pipeline - Docket No. D2004.7.101: On July 1, 2004, Front Range Pipeline filed an application to increase rates on all destination points based upon the FERC Oil Pipeline Index issued July 1, 2004. This represents a 3.16% increase in rates. A Notice of Application and Intervention Deadline was issued on July 8, 2004. No requests for intervention were received.

Commissioner Stovall moved to approve the application. Commissioner Schneider seconded the motion, which passed 4-1. Commissioner Jergeson voted nay.

APPEARANCE

Eric Eck
Utility Division

(308) In the matter of MDU Resources Group Inc. - Docket No. D2004.8.122: On August 2, 2004, MDU filed an application for authorization to issue an additional 400,000 shares of Common Stock in connection with the MDU Resources Group, Inc. Non-Employee Director Stock Compensation Plan. The purpose of the plan is to provide ownership of Common Stock to non-employee members of the Board of Directors. The Company intends to issue and sell the Common Stock until all the shares specified in this application have been issued. A Default Order has been drafted.

Commissioner Jergeson moved to authorize the additional shares of Common Stock. Commissioner Stovall seconded the motion, which passed 4-1. Commissioner Brainard voted nay.

APPEARANCE

Scott Fabel
Utility Division

(309) In the matter of Qwest Communications - Non-docket No. N2004.8.124: On August 4,

2004 Qwest filed tariff transmittal 04-011. In this filing Qwest proposes to remove Block Compromise Charges for Direct Inward Dialing (DID).

Commissioner Stovall moved to approve Qwest's tariff transmittal 04-011. Commissioner Brainard seconded the motion, which passed 4-0. Commissioner Rowe did not leave a vote on this matter.

APPEARANCE

Kate Whitney, Administrator
Utility Division

(310) In the matter of the Commission's discussion of Qwest SGAT Exhibit B and QPAP modifications - Docket No. D2000.6.80:

Commissioner Stovall moved to approve staff's recommendation and that the changes automatically apply to all existing agreements. Commissioner Brainard seconded the motion, which passed unanimously.

(311) In the matter of the Commission's discussion of the CLEC forum:

Commissioner Jergeson moved to approve the notice of the forum along with the discussed editorial changes. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE

Monica Tranel, Legal Division
Gary Duncan, Utility Division

(312) In the matter of the Commission's discussion of Multiple Carriers Local Number Portability - Docket No. D2004.3.39:

Commissioner Jergeson moved to approve a prehearing conference for next week with Monica as the presiding officer. Commissioner Stovall seconded the motion, which passed unanimously.

APPEARANCE

Monica Tranel

(313) In the matter of the Commission's discussion of Qwest, Covad - Docket No. D2004.6.89:

Commissioner Brainard moved to deny Qwest's motion for reconsideration. Commissioner Jergeson seconded the motion, which passed 4-1. Commissioner Rowe voted nay.

Commissioner Jergeson moved to approve the Qwest-Covad agreement subject to the parties filing an amendment reflecting the Montana Commission's policy language. Commissioner

Stovall seconded the motion, which passed 4.0. Vote was left open for Commissioner Rowe.

APPEARANCE

Phil Cooke
Utility Division

(314) In the matter of the Commission's discussion of MCI Petition for Waiver of ARM 38.5.3371(3)(a):

Commissioner Brainard moved to grant the motion for the waiver until the first of the year. Commissioner Stovall seconded the motion, which passed unanimously.

Commissioner Brainard moved to deny the motion for protective order by MCI as moot based on a prior action. Commissioner Jergeson seconded the motion, which passed unanimously.

APPEARANCE

Martin Jacobson
Legal Division

(315) In the matter of the Commission's discussion of the PSC Investigation requested by the Attorney General - Docket No. D2004.2.21:

Commissioner Stovall moved to approve staff recommendation authorizing the protective order with the conditions described. Commissioner Brainard seconded the motion, which passed unanimously.

Commissioner Jergeson moved to approve the extension for discovery to February 1, 2005. Commissioner Schneider seconded the motion.

Commissioner Brainard made a substitute motion to extend the deadline to October 30, 2004, and subsequently request the extension of deadline be accompanied by a work session with the Attorney General and his consultant to discuss the progress of the case. Commissioner Stovall seconded the motion, which failed 2-3. Commissioners' Schneider, Jergeson and Rowe voted nay.

The original motion to grant an extension to February 1, 2005, passed 3-2. Commissioners' Brainard and Stovall voted nay.

APPEARANCE

Leroy Beeby, Marla Larson
Utility Division

(316) In the matter of the Commission's discussion of Energy West Environmental Surcharge -

Docket No. D2003.4.50:

Commissioner Jergeson moved to approve issuing an order approving the stipulation and the two year time period as indicated in the draft order. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE
Leroy Beeby

(317) In the matter of the Commission's discussion of Cut Bank Gas General Rate Increase - Docket No. D2004.3.47:

Commissioner Jergeson moved to defer the work session until next week for consideration of an interim order and direct staff to enter into discussion with the Montana Consumer Counsel on the matter raised. Commissioner Stovall seconded the motion, which passed 4-0. The vote was left open for Commissioner Rowe.

APPEARANCE
Will Rosquist
Utility Division

(318) In the matter of the Commission's discussion of NWE Annual Default Supply Cost Tracker - Docket No. D2004.6.90:

Commissioner Brainard moved to issue a notice on the additional issues related to demand-side resources and USB allocation. Commissioner Stovall seconded the motion, which passed unanimously.

APPEARANCE
Martin Jacobson

(319) In the matter of the Commission's discussion of NWE v PSC litigation/judicial review - Cause No. CDV-2003-443:

Commissioner Stovall moved to close the work session pursuant to the litigation exception to discuss a confidential settlement offered by NorthWestern Energy. Commissioner Brainard seconded the motion, which passed 4-0. Commissioner Rowe did not leave a vote on this matter.

There being no further business to come before the Commission the meeting was adjourned.

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGESON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Connie Jones
Commission Secretary

(SEAL)